



Iowa Department of Transportation

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January 11, 2011

TO: The Honorable Chet Culver
Governor

Michael E. Marshall
Secretary of the Senate

Charlie Smithson
Chief Clerk of the House

FROM: Nancy J. Richardson
Director

RE: H.F. 2460 – Report concerning Small Businesses and
Disadvantaged Business Enterprises

Pursuant to H.F. 2460, passed during the 2010 session of the 83rd Iowa General Assembly, please find attached the recommendations regarding methods to track and assess the participation of small businesses and disadvantaged business enterprises (DBE) in receiving nonfederal highway funding.

If you have any questions, please let me know.

NJR:ckw

Attachment

House File 2460 Calendar Year 2010 Report
Iowa Department of Transportation
January 1, 2011

House File 2460, passed during the 2010 session of the 83rd Iowa General Assembly, requires the Iowa Department of Transportation (DOT) to provide recommendations to the General Assembly and to the Governor regarding methods to track and assess the participation of small business and disadvantaged business enterprises (DBE) in receiving nonfederal highway funding (See Attachment 1). This report fulfills that requirement.

In response to this requirement, the Iowa DOT recommends to the General Assembly and the Governor that the Iowa DOT annually collect small business contract (SBC) data and report it in Excel spreadsheet format to the General Assembly and the Governor. It is recommended the following information be included in the report:

Pre-Letting Information

Letting Date

Number of Small Business Contracts

Number of Requested Bidding Documents

Number of New DOT Bidders

Number of Existing DOT Bidders

Awarded Contract Information

Low Bid Contractor

Dollar Amount of Awarded Contract

Awarded Contractor - New DOT Bidder

Awarded Contractor -Existing DOT Bidder

Awarded Contractor- DBE Certified

The summary should also include DOT actions to be taken in reaction to identification of program areas that can be modified or improved to better achieve intended outcomes of the program.

Consistent with this DOT reporting recommendation, an Excel spreadsheet (See Attachment 2) and summary of calendar year 2010 SBC program accomplishments to date (See Attachment 3) are provided.

HF 2460- Section 4
83rd General Assembly

Sec. 4. PARTICIPATION GOALS == SMALL BUSINESSES AND DISADVANTAGED BUSINESS ENTERPRISES.

1. The department of transportation, in cooperation with organizations that represent highway contractors, shall submit recommendations to the general assembly and the governor by November 1, 2010, concerning methods to track and assess the participation of small businesses and disadvantaged business enterprises in receiving nonfederal highway funding. The recommendations may include methods to assess the effort on the part of contractors to achieve participation by small businesses and disadvantaged business enterprises and may involve the establishment of participation goals. Following the consideration and adoption of recommendations by the general assembly, the department shall annually review the small business and disadvantaged business enterprise participation achievements of contractors who were awarded contracts for nonfederal aid highway projects with the department.

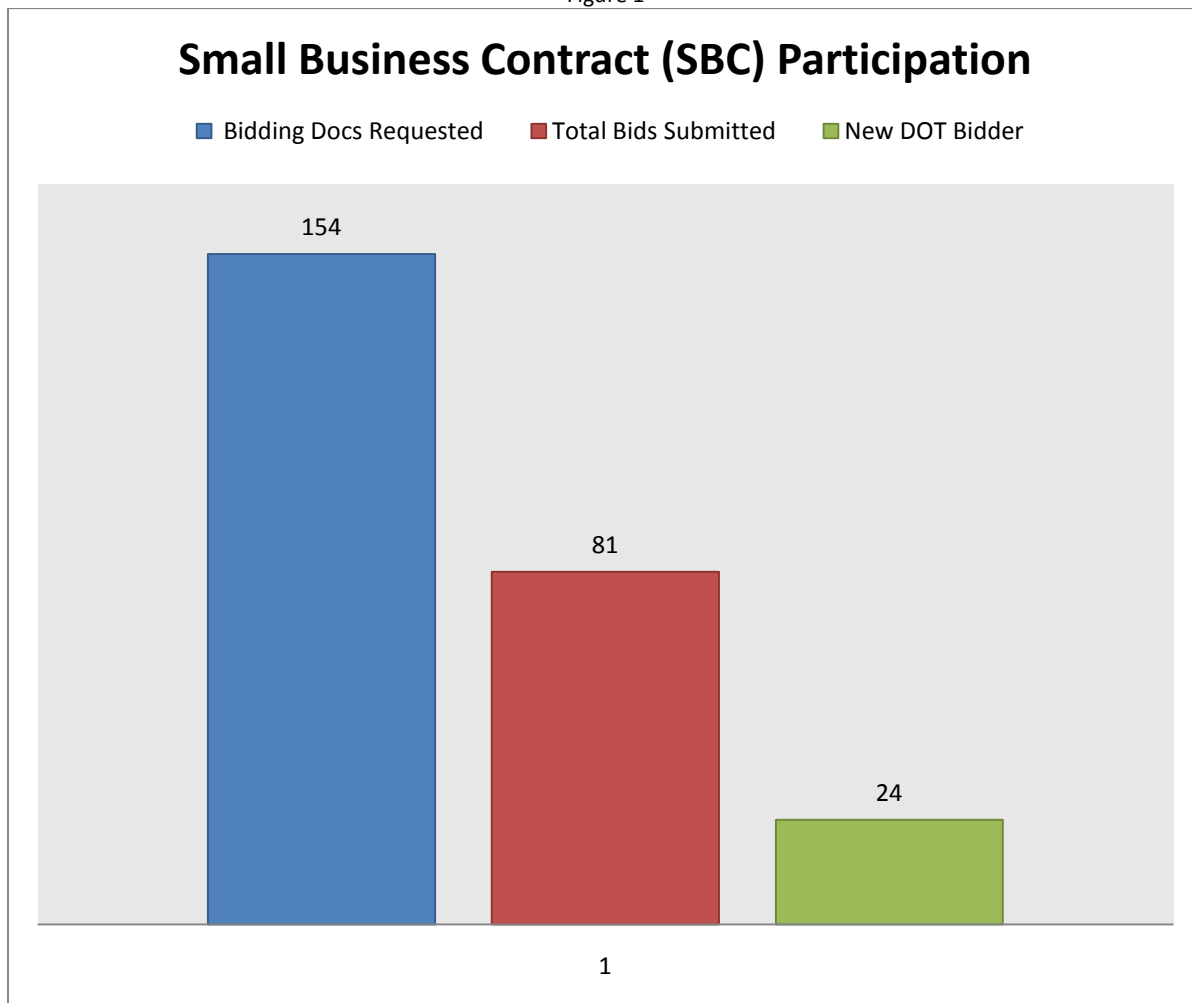
2. The department shall work in cooperation with organizations that represent highway contractors, small businesses, and disadvantaged business enterprises to maintain communication among the entities to further the dissemination of information about contract and training resources that are available from the department.

2010 Small Business Contract Summary

Prior to the passage of House File 2460, the Iowa DOT began a pilot program to let for bid small business contracting (SBC). The self-certification process started in late 2009 with anticipation of the first SBC be let in January 2010. Contractor involvement in the SBC program implementation included discussions at the Annual AGC/DBE/DOT Task Force Meeting and a Targeted Small Business Workshop. Informational articles about the SBC program were included in the DOT's Weekly Letting Report Newsletter and Civil Rights Semi-Annual Newsletter. In addition, information was posted to the DOT's Office of Contracts Web page. The results of the program to date are as follows.

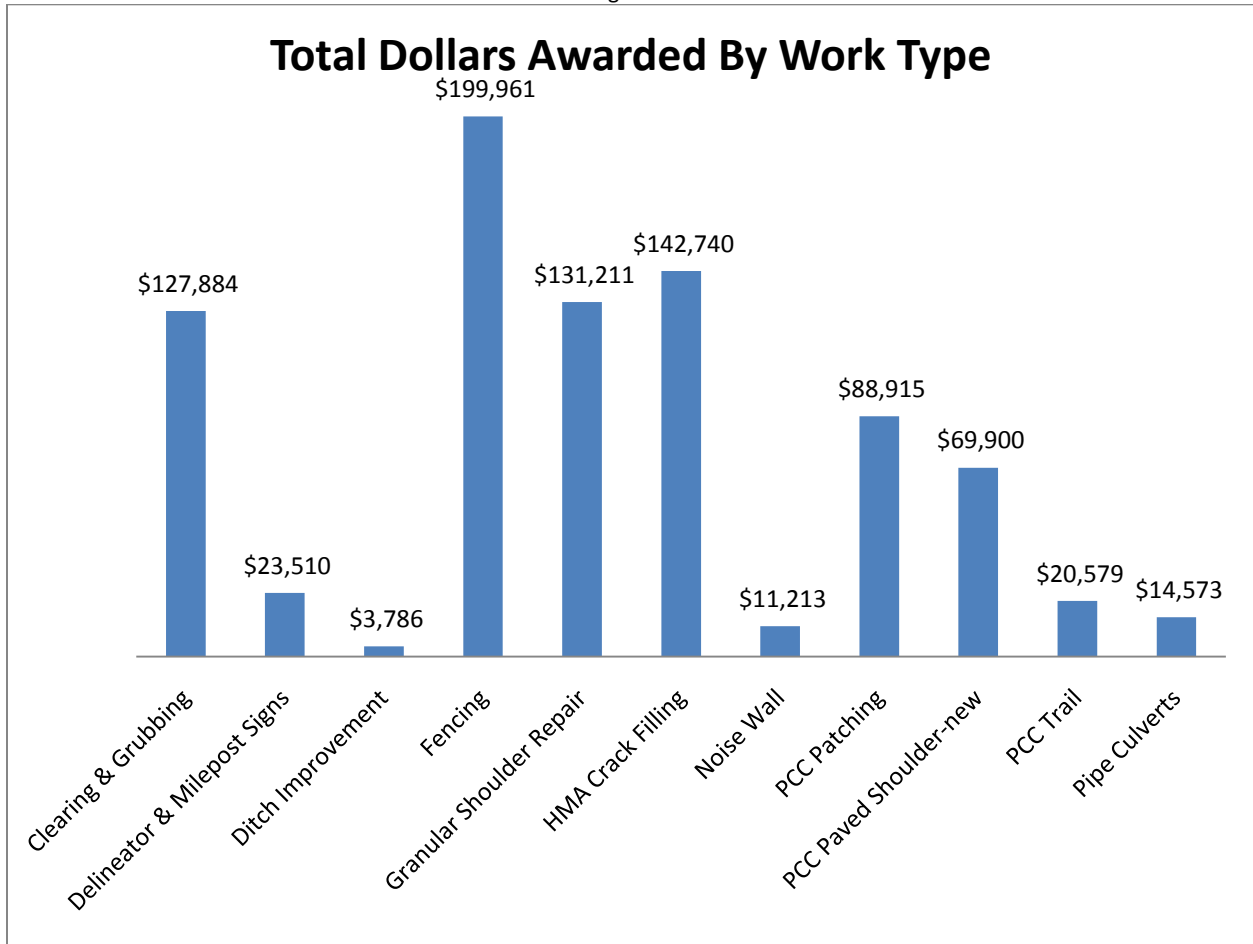
There were nine lettings in 2010 with a total of 22 SBCs awarded. The program generated 154 requests for bidding documents from interested contractors. Of those, 81 actual bids were submitted. There were 24 new contractors who registered and submitted bids with the DOT on SBCs (See Figure 1). The "low bidder" dollar amounts awarded totaled \$834,272.

Figure 1



Most of the dollars awarded were for the SBC work types of fencing (with seven contracts totaling \$199,961) and HMA crack filling (with 2 contracts totaling \$142,740)(See Figure 2).

Figure 2



The projects were located across the state of Iowa with a concentration in central Iowa as shown on the Google map below (See Figure 3).

Figure 3

2010 Small Business Contract (SBC) Location



The 22 total contracts let were awarded to 16 contractors. Of those 16 contractors, five were new bidders with the DOT (See Figure 4) and account for 17 percent of the awarded SBC funds (See Figure 5).

Figure 4

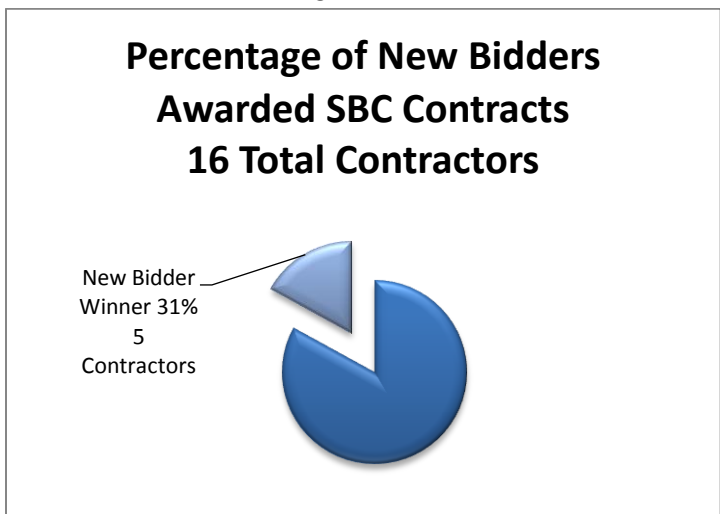
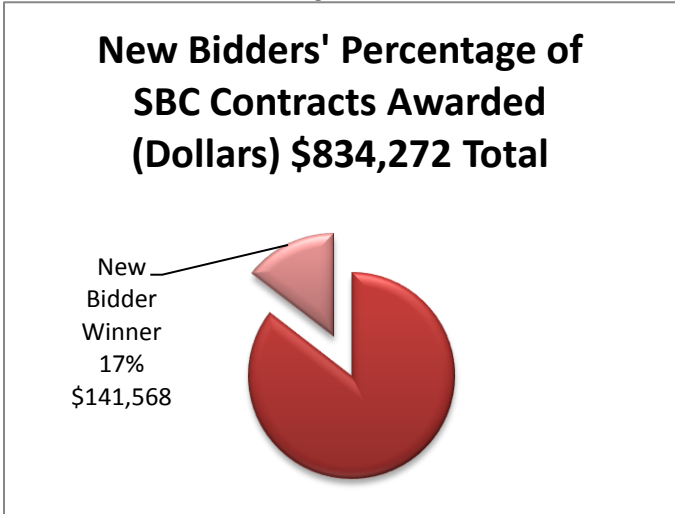
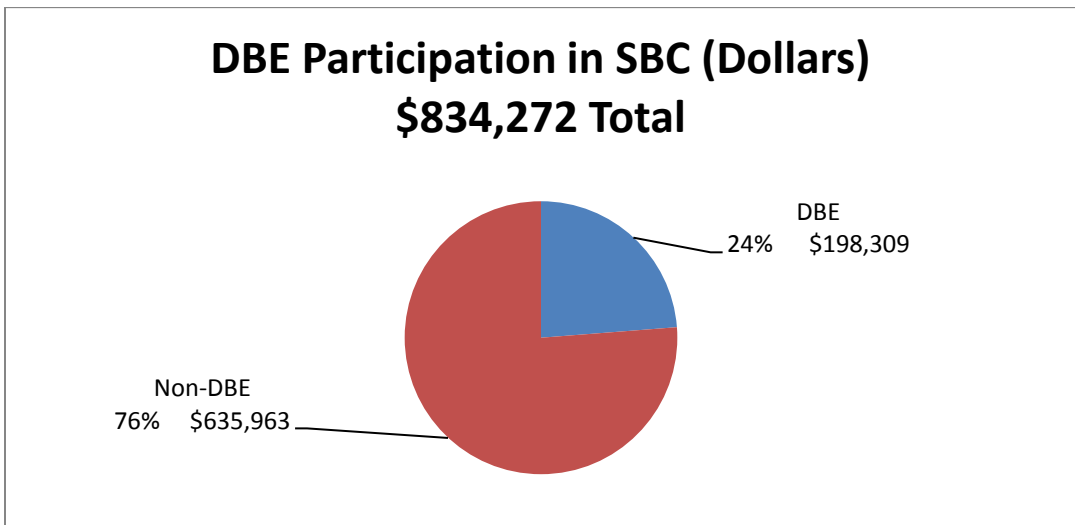


Figure 5



Three DBEs were awarded five SBCs accounting for 24 percent (See Figure 6) of the total SBC funds awarded.

Figure 6



Future Actions

Due to the difficulty and, in one instance, inability to secure a performance bond by SBC low bidders, the DOT’s administration of the SBCs will change beginning with the April 2011 letting. The DOT’s Office of Contracts will waive the performance bond requirements on contracts under \$25,000, as permitted in Iowa Code section 573.2. Information will continue to be provided to the public through Office of Contracts Web site updates, newsletters and area meetings with public involvement. In addition, the Iowa DOT will increase efforts to identify and develop SBC opportunities in northwestern and southwestern Iowa.

2010 SBC Data By Letting Date

Letting Date	Bid	Contract Type	Bid Winner	Vendor	Low Bid Amount	New SBC	New	Bid Docs	Total Bids	New SBC	New
	Order			Number		Winner	Bidder	Requested	Submitted	Bidders	DOT
9				22	\$ 834,272.40	16	5	154	81	55	24
1/20/2010	981	Clearing & Grubbing	Garry Hill	HI115	\$ 33,271.92	Yes	Yes	37	25	25	16
2/16/2010	981	Fencing	Miller Fence Co. Inc.	GO010	\$ 9,897.50	Yes	Yes	10	3	2	1
3/16/2010	981	Pipe Culverts	Cole Excavating	CO086	\$ 14,573.00	Yes	No	34	20	12	2
3/16/2010	984	Granular Shoulder Repair	Skyline Construction, Inc.	SK040	\$ 131,211.26	Yes	No				
3/16/2010	985	Clearing & Grubbing	Blackwell Construction, Inc.*	BL050	\$ 35,512.50	Yes	Yes				
3/16/2010	986	Clearing & Grubbing	T.L.C. Tree Service	T.041	\$ 59,099.50	Yes	Yes				
3/16/2010	987	Ditch Improvement	Stony Creek Landscapes	ST695	\$ 3,786.80	Yes	Yes				
4/20/2010	981	PCC Paved Shoulder-new	Matt Construction, Inc.	MA815	\$ 16,597.52	Yes	No	19	10	6	2
4/20/2010	982	Fencing	Taylor Fencing	TA072	\$ 19,603.25	Yes	No				
4/20/2010	983	HMA Crack Filling	Denco Highway Construcion Corp.	DE300	\$ 68,617.06	Yes	No				
4/20/2010	984	Fencing	Taylor Fencing	TA072	\$ 12,870.00	No	No				
4/20/2010	985	Fencing	Taylor Fencing	TA072	\$ 22,932.00	No	No				
5/18/2010	983	Fencing	Fagan Fencing, Inc. dba Sunds Fencing	FA010	\$ 28,368.25	Yes	No	15	5	2	0
5/18/2010	984	HMA Crack Filling	Mid-Continent Contracting, Inc.	MI120	\$ 74,122.50	Yes	No				
6/15/2010	981	PCC Patching	Universal Concrete, LTD.*	UN105	\$ 44,753.31	Yes	No	19	9	4	2
6/15/2010	982	PCC Patching	Universal Concrete, LTD.*	UN105	\$ 44,161.49	No	No				

6/15/2010	983 Delineator & Milepost Signs	Dickinson Co., Inc.	DI120	\$	23,509.76	Yes	No				
6/15/2010	984 PCC Trail	Universal Concrete, LTD.*	UN105	\$	20,578.90	No	No				
7/20/2010	981 Fencing	Taylor Fencing	TA072	\$	52,600.00	No	No	6	1	0	0
9/21/2010	981 PCC Paved Shoulder-new	OEL Construction Services, Inc.*	O.015	\$	53,303.38	Yes	No	4	2	0	0
11/16/2010	981 Noise Wall	Turnbull's Tree Service	TU081	\$	11,212.50	Yes	No	10	6	4	1
11/16/2010	982 Fencing	Taylor Fencing	TA072	\$	53,690.00	No	No				

* Indicates DBE